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**COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION**

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The application of Atmos Energy Corporation for an order authorizing the issuance of up to 1,000,000 shares of common stock through the Atmos Energy Corporation Retirement Savings Plan and Trust and 2,000,000 shares of common stock pursuant to its Direct Stock Purchase Plan.

Case No. 2003-00475

**REPORT OF ACTION
Prepared May 15, 2006**

Reference is made to the order entered into on February 17, 2004 that Atmos Energy Corporation ("Atmos"), through its Kentucky division is authorized to issue 1,000,000 additional shares of common stock through its Retirement Savings Plan and Trust ("RSP"), and 2,000,000 shares through its Direct Stock Purchase Plan ("DSPP").

Petitioner hereby reports:

1. For the period October 1, 2005 through March 31, 2006, the Petitioner reports that there were 224,881 shares exercised under the Retirement Savings Plan and Trust with \$5,940,260.14 increase in capital stock. The aggregate number of shares authorized but not issued totaled 260,755 as of March 31, 2006.
2. For the period October 1, 2005 through March 31, 2006, the Petitioner reports that there were 206,762 shares exercised under the Direct Stock Purchase Plan with \$5,473,472.84 increase in capital stock. The aggregate number of shares authorized but not issued totaled 1,069,962 as of March 31, 2006.
3. Atmos plans to use the proceeds to fund capital expenditures, reduce debt, improve its capitalization ratios and preserve its credit ratings.

Atmos Energy Corporation


Stephanie Castle
Assistance Treasurer